Kohl's will bring its selection of clothing and housewares to Fort Dodge late next year.

The national retail chain will open a store near the intersection of Fifth Avenue South and 30th Street in October 2011. Local officials hope the debut of the 55,000-square-foot store will lead to more retail outlets opening in the city.

''I strongly believe this is a positive for Fort Dodge and future retail,'' Councilwoman Margy Halverson-Collins said Monday evening.

On Monday, the City Council approved a deal with Continental Properties Co. Inc., of Menomonee Falls, Wis., that will clear the way for the new store.

Under the terms of the deal, the city government will upgrade Fifth Avenue South between 29th and 31st streets by Sept. 1, 2011. It will also give Continental $2.65 million to be paid in two installments.

The agreement with the city requires the developer to buy the necessary property, demolish the buildings and work with Kohl's to create the new store. The company will also have to pay a minimum of $165,000 annually in property taxes.

City Manager David Fierke said the local government money will ''buy down the cost of the project.'' He added that building the new store wouldn't be financially possible without the city's help.

That city money will come from an economic development revolving fund and an account that holds money for paying for the sanitary sewer upgrades done for the North Central Ag-Industrial Park west of the city. Property taxes collected from Kohl's will replenish those funds. Fierke said the city will also tack 2 percent interest onto the repayments, meaning more than $2.65 million will be returned to the funds.

The city's first payment of $1.15 million will be made when Kohl's signs a lease with Continental Properties Co. Inc. The second payment of $1.5 million will be when work is substantially complete at the site.

On Sept. 13, the City Council hired McClure Engineering Co. of Fort Dodge, to design the Fifth Avenue South improvements. Those upgrades will include:

* **Intersection improvements, including a traffic light, at Fifth Avenue South and 30th Street.**
* **A turning lane in the center of Fifth Avenue South.**
* **Aesthetic improvements such as brick crosswalks.**
* **Underground utility lines.**

The Kohl's store will be on property now occupied by Champion Pre-Owned Center, a used vehicle dealership that's been there since 2007. Dick Williams, a sales manager at the dealership, declined to comment.

The property's owner, Larry Clement, of Fort Dodge, said Monday afternoon that he's happy about Kohl's locating in Fort Dodge.

''I think it's a great thing for the city of Fort Dodge to get them,'' he said. ''Once they come to town there's a lot of other stores that will follow.''

Clement said the plan emerged last winter. He added that attorneys are working on the details of the property sale.

He said that the development company will buy 4.5 acres, while he will keep 1.63 acres at the north end of the property next to Fifth Avenue South. He said there will be room for two new businesses on the land that he is retaining.

He said it appears that Champion Pre-Owned Center and his businesses, Clement Inc. and Clement Aviation, will remain in place until March. He added that he already has two to three options for relocating all the businesses.

''I still anticipate having a presence on Fifth Avenue South for Champion,'' he said.

Representatives of Kohl's were unavailable for comment.

Local leaders have been working on the deal to bring Kohl's to Fort Dodge for more than a year, according to Fierke.

Councilman Curt Olson said Kohl's picked Fort Dodge over Ames when deciding where to put their new store in north central Iowa.

''This definitely shows that the corridor improvements are bringing private sector investment to the corridor,'' Mayor Matt Bemrich said.

Bemrich said the store's presence is estimated to generate $100,000 in sales tax revenue for the city.